

The *Electronic*
Advisor

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Information for Human Resources and Business Risk Professionals in the Colorado State Personnel System

State Budget and Annual Compensation Changes

The General Assembly has passed and the Governor has signed the FY 2006 - 2007 Long Bill. The following summarizes the final compensation and benefits changes for the coming fiscal year starting July 1, 2006.

A statewide average 3% increase in funding for salaries of permanent state personnel system employees rated as satisfactory or above, subject to the maximum of their pay grades. Eligible employees will receive at least the amount of their occupational group (see Table 2). Eligible employees in Trooper classes will receive 5.1%, subject to the maximum of their pay grades. Some employees will receive slightly more if they are currently at or near the bottom of their pay ranges as explained below.

Due to budget limits, there will be no performance pay allotments.

There has been a significant increase in State contributions to health plans to approximately 75% of the prevailing average market employer contribution. The State contributions, including basic life insurance, are listed in Table 1 below.

<i>Table 1</i>	<i>Type Benefit</i>	FY 06-07 State Contribution
	Health – Employee only	\$244.12
	Health – Employee + spouse	\$412.58
	Health – Employee + child(ren)	\$381.48
	Health – Family	\$567.42
	Dental – Employee only	\$18.88
	Dental – Employee + spouse	\$27.96
	Dental – Employee + child(ren)	\$31.72
	Dental – Family	\$41.40
	Life – death benefit of one times annual salary, but not less than \$33,000 nor more than \$40,000.	\$8.04

The salary portion will be implemented in the following sequence, per Director's Rule 3-8. The rule provides the order of salary actions that are effective on the same date. Changes to the class and pay structure occur first, which do not change an individual's actual salary at this point.

- System maintenance studies are implemented. As published in JEL 06-3 on May 16, the Medical occupational group becomes part of Health Care Services occupational group, so grade labels change, e.g., label E10 becomes C90.
- The pay grades for those individual classes reported in the Appendix C of the 2006-2007 Annual Compensation Survey Report and the December Update will be changed. Included are: Criminal Investigators, Nurses, Diagnostic Procedures Technicians, Electrical Trades, Structural Trades, Equipment Mechanics, General Labor, Grounds & Nursery, Police Communications Technicians, Customer Support Coordinators, Data Entry, Administrative Assistants, Legal

Assistants, and C.E. Project Managers. Not all classes in a series are changing and some classes are adjusted upwards, some downward. A complete listing of the individual class adjustments is available at www.colorado.gov/dpa/dhr in the annual report, or JEL 06-3.

- Pay ranges are adjusted by changing the minimums and maximums in accordance with the December Update recommendations for each occupational group as shown in Table 2 below. Remember, individual employee pay is not actually adjusted at this step. Instead, this keeps the pay structure comparable to the market.

<i>Table 2</i> <i>Occupational Group</i>	Movement
Enforcement & Protective Services (Troopers)	2.6%
Financial Services	5.1%
Health Care Services (medical now part)	2.0%
Labor Trades & Crafts	3.7%
Administrative Support & Related	1.2%
Professional Services	2.2%
Physical Sciences & Engineering	2.7%
Teacher	2.0%
	2.7%

Salary lid values and statutory salary limits are also adjusted. The final Consumer Price Index (CPI) increase this year (2.09%) determined the lid values: \$8,799 for regular or traditional; \$10,999 for SES; and \$11,866 for medical.

- Pay grade minimums will be raised as a result of two decisions. The minimum of all grades will be raised 2% in accordance with the Director's recommendation in August 2005. The legislature also provided additional funds (approximately 0.37% of the 3% funding) to be applied to raising pay grade minimums in addition to the 2%. Approximately 10% of the workforce will receive an additional overall average increase of 2.3% or \$70.00 per month from the additional raising of some grade minimums.

<i>Table 3</i> <i>Occupational Group</i>	Director's Grade Minimum Increase	Additional Grade Minimum Increase
Enforcement & Protective Services	2%	0
Financial Services	2%	3%
Health Care Services (medical now part)	2%	1% *
Labor Trades & Crafts	2%	1%
Administrative Support & Related	2%	3.5%
Professional Services	2%	4%
Physical Sciences & Engineering	2%	4.5%
Teacher	2%	4%*

* Some individual class grade minimums will not be increased in 2 occupational groups.

- After the class and pay grade structure adjustments are completed, the occupational group salary adjustments shown in Table 2 above are applied to the base salary of all permanent employees rated as satisfactory or above, subject to their grade maximum. Temporary employees (Temporary Aide class) will not be given this automatic salary increase.
- Lastly, any employees whose base salary is below the new minimum will be brought up to the new minimum, except in the case of disciplinary action.

The official compensation plan will be available on the DPA/DHR Web site as soon as it is finalized and a separate announcement will be sent. Questions should be addressed to department budget officers or HR administrators, or to Don Fowler at don.fowler@state.co.us or 303.866.4250.